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SUBJECT: ECONOMIC REFORM SNAPSHOT: NEW BLOOD AT
TRANSPORTATION MINISTRY TRANSFORMS WAY BUSINESS IS DONE

Sensitive but unclassified, not for internet distribution.

11. (SBU) Summary. A series of recent meetings at the General Authority for Road, Bridges, and Land Transportation (GARBLT) illustrates how private sector experience is transforming the way business is done at the Egyptian Ministry of Transportation (MOT). Shedding normal bureaucratic inertia, former oil and gas executive Tarek El Attar, the new head of GARBLT, is reaching out for new talent to assist him in devising creative solutions to revamp Egypt's dilapidated national highway system, utilizing partnerships with both civil society and the private sector. While a more comprehensive road safety strategy is still needed to see a measurable decrease in the number of annual road accidents and deaths, Mansour's private sector savvy is bringing notable change to the MOT. End Summary.

HEADHUNTING FOR TALENT

12. (SBU) Since his appointment in February 2006, former business mogul and current Minister of Transportation Mohamed Mansour is slowly transforming the way business is done at the MOT. One example of this is the selection of former oil and gas executive Tarek El-Attar as chairman of GARBLT in June 2006, tasking him with upgrading the 23,000 km of national roads under his jurisdiction. (Note: The 26 individual governorates are responsible the remaining 37,000 km of roads in Egypt. End note.) El-Attar, in expressing his seriousness about revamping the dilapidated national highway system, told econoff he has met with the Prime Minister four times since November 2006 regarding highway reconstruction, and hired World Bank consultants to evaluate the national road system's maintenance and repair needs. Approximately 90,000 additional cars appear on Egypt's road system each year, a heavy burden for the many already congested and decaying streets.

13. (SBU) Bucking traditional public sector hiring practices, El-Attar used a headhunter to hire a new team to transform GARBLT's operations. In November, El-Attar hired Dr. Hisham Fouad, an Egyptian-American, who had been working at the Maryland State Highway Administration for seventeen years. Fouad told econoff that GARBLT's short term plans include numbering all national roads, adding signals and lights on all highways, and the constructing a World Bank-sponsored "Safe Road" from Hieksta to Zagazig in Egypt's populous Nile Delta region. All new GARBLT-produced signs will exclusively use high quality, reflective 3M products. In the long-term, GARBLT plans to completely reconstruct all major highways,

create a more accurate accident data base, and audit existing roads. A WHO representative working with GARBLT on a inter-ministerial road safety strategy said the new team at MOT is vastly more responsive than the representatives he reached out to two years ago.

EMPHASIS ON PUBLIC-PRIVATE PARTNERSHIPS

¶4. (SBU) While an increase in tolls on national highways in 2007 will generate some revenue for national highway projects, Minister Mansour acknowledges the vital role the private sector plays in realizing MOT goals. Mansour publicly stated in February 2006 that one of his main objectives is to initiate public-private partnerships in areas that need reforming, thereby creating opportunities for job growth, foreign direct investment, and local investment. Officials at GARBLT are trying to put his vision into action, forging partnerships with both private sector and civil society groups to solidify long-term funding. The Egyptian operations of energy giant Shell, for example, in conjunction with a local rotary club, agreed to fund new signs on the highly-traveled, and dangerous, Cairo "Ring Road." GARBLT courted prospective partners at an AMCHAM lunch in December, and will soon present its strategic plan to other prospective private sector donors who appear eager to fund their initiative, but are looking for GOE guidance and leadership. The World Bank estimates Egypt's roads are in need of 1.3 billion LE (USD 22 million) in upgrades, and even with some private partnerships, the government must invest substantially to see improvement in road conditions.

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COMMENT

¶5. (SBU) Integrated cooperation among high-level officials at the Ministries of Transportation, Interior, Health, and Information is needed to see a measurable decrease in the reported annual 6,000 deaths and 35,000 injuries on Egypt's roads. A national public awareness campaign and mandatory drivers' education are also key. However, MOT's organized -- and non-traditional in the Egyptian sense -- approach to improving the national highway system is a clear step in the right direction. Though faced with resource constraints and bureaucratic hurdles not seen in their previous jobs, former private sector officials are approaching MOT challenges with a high level of skill and creativity, which will hopefully lead to real results.
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